

# Union Calendar No. 374

117TH CONGRESS  
2D SESSION

# H. R. 2250

[Report No. 117-492]

To amend title 38, United States Code, to improve the management of information technology projects and investments of the Department of Veterans Affairs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2021

Mr. ROSENDALE (for himself, Mr. MRVAN, and Mr. BANKS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

SEPTEMBER 26, 2022

Additional sponsors: Mr. HERN, Mr. DELGADO, and Ms. MALLIOTAKIS

SEPTEMBER 26, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 26, 2021]

# A BILL

To amend title 38, United States Code, to improve the management of information technology projects and investments of the Department of Veterans Affairs, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE.**

4       *This Act may be cited as the “Department of Veterans*  
5   *Affairs Information Technology Reform Act of 2021”.*

6   **SEC. 2. MANAGEMENT OF MAJOR INFORMATION TECH-**

7                   **NOLOGY PROJECTS.**

8       (i) *IN GENERAL.—Chapter 81 of title 38, United*  
9   *States Code, is amended by adding at the end the following*  
10   *new subchapter:*

11   **“SUBCHAPTER VI—INFORMATION TECHNOLOGY**  
12                   **PROJECTS AND ACTIVITIES**

13   **“§ 8171. Definitions**

14       *“In this subchapter:*

15               *“(1) The term ‘appropriate congressional com-*  
16   *mittees’ means—*

17               *“(A) the Committee on Veterans’ Affairs*  
18   *and the Subcommittee on Military Construction,*  
19   *Veterans Affairs and Related Agencies of the*  
20   *Committee on Appropriations of the Senate; and*

21               *“(B) the Committee on Veterans’ Affairs*  
22   *and the Subcommittee on Military Construction,*  
23   *Veterans Affairs and Related Agencies of the*  
24   *Committee on Appropriations of the House of*  
25   *Representatives.*

1           “(2) *The term ‘information technology’ has the  
2 meaning given that term in section 11101 of title 40.*

3           “(3) *The term ‘information technology project’  
4 means a project or program of the Department (in-  
5 cluding a project or program of any element of the  
6 Department) for, or including, the acquisition or im-  
7 plementation of information technology. In cases  
8 where the Secretary transmits to the Director of the  
9 Office of Management and Budget information re-  
10 garding information technology investments, which  
11 may consist of individual or multiple projects, such  
12 term refers to an individual project or program or a  
13 grouping of multiple projects or programs resulting  
14 in the acquisition or implementation of discrete infor-  
15 mation technology.*

16           “(4) *The term ‘life cycle costs’ means all direct  
17 and indirect costs to acquire, implement, operate, and  
18 maintain information technology, including with re-  
19 spect to costs of any element of the Department.*

20           “(5) *The term ‘major information technology  
21 project’ means an information technology project if—*

22           “(A) *the project is designated by the Sec-  
23 retary, the Chief Information Officer of the De-  
24 partment, or the Director of the Office of Man-  
25 agement and Budget as a major information*

1           *technology investment, as defined in section  
2           11302 of title 40; or*

3           “(B) the dollar value of the project is esti-  
4           mated by the Secretary to exceed \$500,000,000  
5           (as adjusted for inflation pursuant to section  
6           1908 of title 41) for the total life cycle costs of  
7           the project.

8           “(6) The term ‘business owner’ means, with re-  
9           spect to an information technology project, the pro-  
10          gram manager, project manager, or other supervisory  
11          official of the Department responsible for the project.

12       **“§ 8172. Management of major information technology  
13           projects**

14       “(a) COST, SCHEDULE, AND PERFORMANCE INFORMA-  
15          TION.—(1) The Secretary may not obligate or expend funds  
16          for any major information technology project that begins  
17          after the date of the enactment of the Department of Vet-  
18          erans Affairs Information Technology Reform Act of 2021  
19          unless the Secretary, acting through the Chief Information  
20          Officer of the Department, submits to the appropriate con-  
21          gressional committees a report containing information on  
22          the cost, schedule, and performance of such project, as gen-  
23          erated by the business owner of the project.

1       “(2) Each report submitted under paragraph (1) for  
2 a project shall include, with respect to such project, the fol-  
3 lowing:

4           “(A) An estimate of acquisition costs, implemen-  
5 tation costs, and life cycle costs.

6           “(B) An intended implementation schedule indi-  
7 cating significant milestones, initial operating capa-  
8 bility, and full operating capability or completion.

9           “(C) Key business, functional, and performance  
10 objectives.

11       “(b) BASELINE.—(1) The Secretary shall use the infor-  
12 mation on the cost, schedule, and performance of a major  
13 information technology project included in the report under  
14 subsection (a) as the baseline against which changes or  
15 variances are measured during the life cycle of such project.

16       “(2) The Secretary shall—

17           “(A) annually update the baseline of a major in-  
18 formation technology project pursuant to subsection  
19 (c); and

20           “(B) include such updated baseline in the docu-  
21 ments providing detailed information on the budget  
22 for the Department that the Secretary submits to  
23 Congress in conjunction with the President’s budget  
24 submission pursuant to section 1105 of title 31.

1       “(c) *CHANGES AND VARIANCES.*—(1) Not later than 60  
2 days after the date on which the Secretary identifies a  
3 change or variance described in paragraph (2) in the cost,  
4 schedule, or performance of a major information technology  
5 project, the Secretary, acting through the Chief Information  
6 Officer, shall submit to the appropriate congressional com-  
7 mittees a notification of such change or variance, including  
8 a description and explanation for such change or variance.

9       “(2) A change or variance in the cost, schedule, or per-  
10 formance of a major information technology project de-  
11 scribed in this paragraph is—

12           “(A) with respect to the acquisition, implemen-  
13 tation, or life cycle cost of the project, or development  
14 increment therein, a change or variance that is 10  
15 percent or greater compared to the baseline;

16           “(B) with respect to the schedule for a develop-  
17 ment increment or for achieving a significant mile-  
18 stone, initial operating capability, or full operating  
19 capability, or for the final completion of the project,  
20 a change or variance that is 180 days or greater com-  
21 pared to the baseline; or

22           “(C) with respect to the performance, an in-  
23 stance where a key business, functional, or perform-  
24 ance objective is not attained, or is not anticipated to  
25 be attained, in whole or in part.

1       “(d) MANAGEMENT.—The Secretary shall ensure that  
2 each major information technology project is managed by  
3 an interdisciplinary team consisting of the following:

4           “(1) A project manager who is—

5              “(A) certified in project management at  
6 level three by the Department, the Federal Acqui-  
7 sition Institute pursuant to section 1201 of title  
8 41, or the Department of Defense pursuant to  
9 section 1701a of title 10, or who holds an equiva-  
10 lent certification by a private sector project  
11 management certification organization, as deter-  
12 mined appropriate by the Secretary; and

13              “(B) an employee of the Office of Informa-  
14 tion and Technology of the Department or an  
15 employee of an element of the Department at  
16 which the project originates.

17           “(2) A functional lead who is an employee of the  
18 element of the Department at which the project origi-  
19 nates.

20           “(3) A technical lead who is an employee of the  
21 Office of Information and Technology of the Depart-  
22 ment.

23           “(4) A contracting officer.

1           “(5) Sufficient other project management, func-  
2       tional, technical, and procurement personnel as the  
3       Secretary determines appropriate.

4       **§8173. Information technology activities of the Fi-**  
5           **nancial Services Center**

6       “(a) MANAGEMENT.—Consistent with sections 11302  
7       and 11319 of title 40—

8           “(1) the Chief Information Officer of the Depart-  
9       ment shall—

10           “(A) exercise authority over the manage-  
11       ment, governance, and oversight processes relat-  
12       ing to existing or proposed information tech-  
13       nology of the Financial Services Center of the  
14       Department, or such successor office; and

15           “(B) supervise the information technology  
16       employees and contractors of the Financial Serv-  
17       ices Center; and

18           “(2) the Director of the Financial Services Cen-  
19       ter of the Department, or the head of such successor  
20       office, may not enter into a contract or other agree-  
21       ment for information technology or information tech-  
22       nology services unless the contract or other agreement  
23       has been reviewed and approved by the Chief Infor-  
24       mation Officer.

“(b) *OVERSIGHT*.—The Chief Information Officer shall have oversight and operational authority over all information security practices of the Financial Services Center of the Department.

7       “(a) *IN GENERAL.*—The Secretary, acting through the  
8 Chief Information Officer of the Department, shall submit  
9 to the appropriate congressional committees each annual re-  
10 view of the information technology portfolio of the Depart-  
11 ment conducted pursuant to section 11319(d)(3) of title 40.

“(b) FIRST SUBMISSION.—The first annual review submitted under subsection (a) shall include a copy of each previous annual review conducted under section 11319(d)(3) of title 40.

16 “§8175. *Information technology matters to be in-*  
17                   *cluded in budget justification materials*  
18                   *for the Department*

19       “(a) LIST OF INFORMATION TECHNOLOGY PROJECTS  
20 IN EFFECT.—The Secretary shall ensure that whenever the  
21 budget justification materials are submitted to Congress in  
22 support of the Department budget for a fiscal year (as sub-  
23 mitted with the budget of the President for such fiscal year  
24 under section 1105(a) of title 31), such budget justification  
25 materials include a list of every information technology

1 project currently in effect at the Department (including not  
2 only congressional projects and subprojects as determined  
3 by the Director of the Office of Management and Budget  
4 or the Secretary).

5 “(b) *PRIORITIZED LIST OF UNFUNDED PROJECTS.*—  
6 (1) In addition to the list included in the budget justifica-  
7 tion materials required by subsection (a), the Secretary  
8 shall ensure that the budget justification materials described  
9 in such subsection also include summary descriptions and  
10 a prioritized list, in rank order, of every information tech-  
11 nology project of the Department, proposed or intended to  
12 be proposed for the following one, two, or three fiscal years,  
13 that is unfunded as of the time of the inclusion of the list  
14 under this paragraph.

15 “(2) In producing the list required by paragraph (1),  
16 the Secretary shall—

17 “(A) ensure such list represents a ranking of all  
18 proposed information technology projects that reflects  
19 the needs of all elements of the Department;

20 “(B) produce one unified list for the entire De-  
21 partment demonstrating how the various proposed in-  
22 formation technology projects of each of the elements  
23 of the Department rank in priority with the informa-  
24 tion technology projects of the other elements of the  
25 Department; and

1           “(C) ensure that the list—

2               “(i) does not disaggregate and rank infor-  
3               mation technology projects based on element of  
4               the Department; and

5               “(ii) does identify the element of the De-  
6               partment requesting the information technology  
7               project.

8           “(3)(A) In producing each list under paragraph (1),  
9           the Secretary shall prioritize and rank each information  
10          technology project based on an assessment of each of the fol-  
11          lowing factors:

12           “(i) Degree of collaboration between business  
13          owners and the Chief Information Officer with respect  
14          to joint functional-technical planning, requirements,  
15          and management.

16           “(ii) Operational or efficiency benefits to em-  
17          ployees of the Department created or produced by the  
18          information technology project.

19           “(iii) The life cycle cost of the information tech-  
20          nology project.

21           “(iv) The cost savings or cost avoidance yielded  
22          by the information technology project.

23           “(v) Time to completion of the information tech-  
24          nology project.

1           “(vi) The difficulty of the information technology  
2        project, the likelihood the information technology  
3        project will be completed, or the risks associated with  
4        undertaking the information technology project.

5           “(vii) Tangible benefits to veterans created or  
6        produced by the information technology project.

7           “(viii) Such other factors as the Secretary con-  
8        siders appropriate.

9           “(B) The Secretary shall ensure that each list produced  
10      under paragraph (1) includes, for each information tech-  
11      nology project included in the list, a brief description of  
12      the findings of the Secretary with respect to each assessment  
13      carried out by the Secretary for each factor for the informa-  
14      tion technology project under subparagraph (A).

15           “(c) PROJECTED FUNDING NEEDS.—(1) In addition  
16      to the matters included under subsections (a) and (b), the  
17      Secretary shall ensure that the budget justification mate-  
18      rials described in subsection (a) also include a projection  
19      of the one-year, two-year, and three-year funding needs of  
20      the Department for information technology, disaggregated  
21      by portfolio and product line of the Department that re-  
22      quires the funding.

23           “(2) In addition to the projections under paragraph  
24      (1), the Secretary shall include a description of the fol-  
25      lowing, with respect to each of the periods set forth in such

1 paragraph, disaggregated by major business line of the De-  
2 partment:

3 “(A) The information technology infrastructure  
4 and equipment requirements.

5 “(B) The funding required for development.

6 “(C) The funding required for operations and  
7 maintenance.

8 “(D) The funding required by cybersecurity.

9 “(E) Such other categories of the information  
10 technology needs of the Department as the Secretary  
11 considers relevant and important.”.

12 (b) CLERICAL AMENDMENT.—The table of sections at  
13 the beginning of such chapter is amended by adding at the  
14 end the following:

“SUBCHAPTER VI—INFORMATION TECHNOLOGY PROJECTS AND ACTIVITIES

“8171. Definitions.

“8172. Management of major information technology projects.

“8173. Information technology activities of the Financial Services Center.

“8174. Submission of annual reviews of information technology.

“8175. Information technology matters to be included in budget justification mate-  
rials for the Department.”.

15 (c) APPLICATION; REPORT.—

16 (1) CURRENT AND NEW PROJECTS.—Except as  
17 specifically provided in subsection (a) of section 8172  
18 of title 38, United States Code, as added by subsection  
19 (a) of this section, such section 8172 shall apply with  
20 respect to major information technology projects that  
21 begin before, on, or after the date of the enactment of  
22 this Act.

## 1                   (2) REPORT ON CURRENT PROJECTS.—

2                   (A) IN GENERAL.—Not later than 90 days  
3                   after the date of the enactment of this Act, the  
4                   Secretary of Veterans Affairs shall submit to the  
5                   appropriate congressional committees a report  
6                   on each major information technology project  
7                   that the Secretary is carrying out as of the date  
8                   of the report.

9                   (B) CONTENTS.—The report submitted  
10                  under subparagraph (A) shall contain, with re-  
11                  spect to each project described in such subpara-  
12                  graph, information on the cost, schedule, and  
13                  performance of the project as described in sub-  
14                  section (a) of section 8172 of such title, as so  
15                  added.

16                  (3) DEFINITIONS.—In this subsection, the terms  
17                  “appropriate congressional committees” and “major  
18                  information technology project” have the meanings  
19                  given those terms in section 8171 of title 38, United  
20                  States Code, as added by subsection (a) of this section.

21                  (d) EFFECTIVE DATE OF REQUIREMENT FOR  
22                  PROJECTS IN BUDGET JUSTIFICATION MATERIALS.—Sub-  
23                  section (c) of section 8175 of such title, as added by sub-  
24                  section (a) of this section, shall take effect on the first Mon-

1 day in the second January beginning after the date of the  
2 enactment of this Act.

3 **SEC. 3. REPORT ON INFORMATION TECHNOLOGY DASH-**  
4 **BOARD INFORMATION.**

5 (a) *REPORT.*—Not later than 90 days after the date  
6 of the enactment of this Act, the Secretary of Veterans Af-  
7 fairs, acting through the Chief Information Officer of the  
8 Department of Veterans Affairs, shall submit to the appro-  
9 priate congressional committees a report containing—

10 (1) an explanation of the ratings, rankings, and  
11 risk categorizations used by the Chief Information Of-  
12 ficer pursuant to subparagraph (C) of section  
13 11302(c)(3) of title 40, United States Code, with re-  
14 spect to the information technology dashboard of the  
15 Office of Management and Budget developed under  
16 such section; and

17 (2) copies of supporting or explanatory informa-  
18 tion provided by the Chief Information Officer to the  
19 Office of Management and Budget with respect to sub-  
20 missions by the Chief Information Officer to the infor-  
21 mation technology dashboard for the fiscal year in  
22 which the report is submitted (other than information  
23 not otherwise made public pursuant to such section).

24 (b) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*  
25 *FINED.*—In section, the term “appropriate congressional

1   *committees*" has the meaning given such term in section  
2   8171 of title 38, United States Code, as added by section  
3   2.

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**A BILL**

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